

## **Investing in Iowa's Viticulture Industry**

### **By Tom Harkin**

As the cool October weather settles in across the state, many of Iowa's grape growers have finished picking this year's crop or are walking the few remaining rows of trellises as they bring in the last of the fall harvest. For winemakers and other professionals involved in the viticulture industry, they are busy turning this season's bounty into a high-quality local product for Iowans and others to enjoy.

Iowa's grape and wine community should be pleased to know that specialty crops and viticulture were a large focus of the recently-passed farm bill – the Food, Conservation, and Energy Act of 2008. In my role as Chairman of the Senate Committee on Agriculture, Nutrition and Forestry, my goal was to craft forward-looking policies to help producers from all walks of agriculture, including the viticulture industry, address the challenges that they face. The end result is a piece of legislation that invests more in the research, plant health and marketing needs of the viticulture industry than any previous farm bill. All told, the new farm bill devotes \$3 billion over the next 10 years in new funding for initiatives that will help the specialty crop community – a 100 percent increase from the last farm bill and the largest ever level of support for specialty crops.

This investment could not come at a better time for Iowa's grape and wine industry, which has experienced tremendous growth over the past several years and is an important part of Iowa's overall economy. The number of acres devoted to grape production in Iowa has increased from 350 in 2002 to over 850 in 2007 – a nearly 150 percent increase. The number of wineries in Iowa has also jumped sharply, going from 12 wineries in 2000 to roughly 70 in 2008.

To help support the growth of the viticulture industry in Iowa and around the country, the new farm bill provides several new initiatives designed to meet the needs of specialty crop producers. One of the most pressing of these needs is better research to help improve crop quality and yields. To address this challenge, we created a new Specialty Crop Research Initiative at USDA. The goal of this competitive research grants program, for which the farm bill provided \$50 million a year starting in fiscal year 2009, is to develop and disseminate scientific knowledge and technology to concentrate on the needs of specialty crops. This is welcome news for Midwest grape growers, who need improved research into cold-climate grape varieties that can withstand the late spring freezes and still retain the fullest possible flavor.

In addition to the need for more research, a continual problem for grape growers involves plant health. Vineyard professionals know firsthand how vulnerable their vine stock can be to disease-causing viruses and bacteria, and maintaining a healthy supply of plant materials is critical to the longevity of any grape-growing business. This problem is made worse by the fact that many universities have greatly decreased their funding for important plant pathogen research, underscoring the need for a greater federal investment in this critical research.

In the farm bill, we recognized this challenge and responded by dedicating federal funds to an initiative that will develop a national network of clean plant centers in the United States that will conduct diagnostic and pathogen elimination services for plant materials. The farm bill

invests \$20 million in this initiative – known as the National Clean Plant Network. These funds, \$5 million of which are available for fiscal year 2009, will help ensure that vineyards in Iowa and elsewhere can continue to grow and distribute safe, virus-free plants.

Perhaps one of the biggest challenges for value-added producers such as winemakers is figuring out the most effective way to market their product to consumers. This is not always an easy task. In fact, it can be very difficult to gain a foothold in certain markets unless the producer can supply the necessary volume to meet retail demands. Yet smaller growers have the capability and motivation to market more locally-grown products in their community, and consumers are demanding them.

That is why the 2008 farm bill provides \$15 million for USDA's Value-Added Product Market Development program, which includes needed grants and loans to those wanting to build marketing alliances among producers and local retail establishments or other institutions. One grower alone may not be able to produce enough for a retail establishment, but a group of area producers could work together or with a distributor to ensure that there is an adequate, consistent supply, and to build marketing relationships with retail outlets. This sort of coordination and cooperation will help provide additional opportunities for Iowa's grape and wine growers to gain access to new markets as they continue to grow throughout the state.

With all of the new programs to help specialty crop producers, there is much for the viticulture community to be excited about in the new farm bill. It is my hope that producers, researchers, and other professionals involved in the viticulture industry in Iowa and elsewhere will take advantage of these new opportunities to help keep the grape and wine business strong. I encourage any who are interested in receiving more information on these programs to contact their local USDA office, my office or visit the Senate Agriculture, Nutrition and Forestry Committee website at [agriculture.senate.gov](http://agriculture.senate.gov).